

VEEM - Comments on Gender Perspectives in the Research Program
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Until recently, economic policy, particularly macroeconomic policy, was not considered to be *gendered*. That is, economists considered their area of policy and study to be "gender neutral". They did not judge that decisions about the economy had any differential impact on men and women, or, if they did, this could not be helped: it could not be mitigated at the macro level.

In the past few years, however, more and more countries have become aware of the important ways in which economic policy, including macroeconomic policy, frequently affects the situation of men and women, or the relations between them (*policy affects gender*). This can include economic and social relations, and may have consequences for social service provision. But, equally important, seen from the other direction, gender relations may influence the readiness (or not) of a country or region to adopt economic change or new policies (*gender affects policy*). Failure to recognize gender inequalities in the labour market, for example, may mean that support responses expected to arise from incentive changes may fail to come about, or may be weaker than projected. This can affect sectoral or sub-sectoral output, technology transfer, and the development of product chains.

Many specialized articles explain the ways in which "male bias" may be present in the development or macro policy process.¹ Basically, economic models are shown to be unavoidably biased because they generally ignore

- rigidities in the economy arising from the gendered division of labour,
- the costs of switching human labour resources in structural adjustment models, and
- the real cost of the "reproduction" of the labour force, generally borne by the household sector via unpaid domestic work.²

While gender consciousness should be a component of research in every economic field, it seems most helpful in this comment to concentrate on the important issues of trade, and the textile and garment subsectors of trade manufacturing. Labour market issues are selected as a particularly pertinent dimension of the research.

TRADE

Trade is a major component of the economic research portion of VEEM. The project outline cites the rising importance of trade to Viet Nam's economy. In trade economics, new models

¹ Some good summaries are available in Corner, Elson (1991, 1994), Haddad and Brown, and Sen. These works are listed in the References section.

² "Reproduction" includes the bearing and rearing of children, as well as maintaining the basic needs of the current and future workforces, caring for the sick and elderly, community participation and other, similar activities.

have begun to appear which look at several gendered aspects of trade processes. This comment will deal only with a limited number of trade-related labour issues. Other issues are foreshadowed in Elson 1995.

It has been recognized since 1991 that through out the world there is a significant relationship between trade expansion, especially expansion of manufactured goods, and employment of female labour. This relationship is reported across many countries where studies show that increased women's employment crosses national borders. About one third of all industrial workers in developing countries are women. In fact a new standard feature of trade analysis can be stated as follows: *no country which has succeeded in raising its rate of GDP growth through trade expansion has done so without increasing the proportion of it's female labour force.*³ Within manufacturing, there has been a particularly marked increase in women's share of employment. And, in most cases, women are earning more in the manufacturing sector than they earned before in rural and/or traditional occupations.

When designing research on trade and gender issues, two sides of this relation should be borne in mind. Trade employment for women is a two-edged sword. There is little doubt that the growth of new sectors is offering income opportunities to women, and their rapid movement to these sectors is evidence that the women concerned see the jobs as a positive benefit. At the same time, women are often the work force of choice because they are viewed by employers as cheap and docile labour. That is, their competitive advantage as a group arises from their relatively weaker bargaining position - relative to men, and relative to workers in other higher-wage countries. Because trade-related output is a rapidly changing area, it is important to assess whether trends observed at present are being enhanced or reversed as Viet Nam continues its reform policies.⁴

Research on trade conditions and opportunities might best explore two areas which pertain to gender.

How is a gender wage gap affecting competitiveness? Is there a case for moving towards the payment of "efficiency wages" and at the same time decreasing the gender wage gap as a way to enhance competitiveness?

What are the needs and opportunities for self organization by women in the sectors studied? Is there a gender gap in these areas (in needs and in institutions and services which meet these needs)?

Briefly, to explain these two areas: the growing body of research into the links between women's employment and trade is advancing several hypotheses about the evolution of female labour force participation in the course of trade maturity. As countries attempt diversification and

³A major early economic study to report this relationship was Wood. The most complete discussion of this effect with reference to five developing countries including Viet Nam is contained in Jokes.

⁴In order to maintain the focus that VEEM identifies, this *Comment* does not deal with another area of results of economic reform, such as loss of jobs in the public sector, and increased costs for social services, which have been shown to affect women differentially.

technological upgrading, there is some evidence that women's participation may not be sustained. As a corollary, some research has advanced the idea that a gender wage gap is necessary for international competitiveness - not only in labour-intensive production which dominates early trade development, but increasingly as trade diversifies.

United Nations Research Institute for Social Development studies have suggested that Bangladesh and Viet Nam seem to be exceptions to the common finding of a large gender wage gap at the early, low-technology stage of trade development. However, in the case of Bangladesh, more detailed work by the Bangladesh Institute of Development Studies has identified a large, persistent gender-wage gap in the garment industry-which earlier studies may have missed because of data-gathering limitations and ghettoisation of women in "female" occupations where comparison with male wages is difficult (e.g. no women work as cutters and cutters' wages are 40% higher than those of sewing machine operators, who are almost all female). It is important to encourage more rigorous research in Viet Nam on current gender pay structures and their trends across the low-to-medium technology spectrum. This will help forecast the impact of future trends in Viet Nam's export production and evolving trade patterns.

As for policy recommendations based on such research, Joeques suggests that "the precautionary principle may be important for policy purposes". That is, "to ensure gender equity, it may be prudent for policy makers to give credence to the [hypothesis that wage gaps will increase as trade diversifies and upgrades] and draw up possible policy instruments... [I]t is clear that tough monitoring and application of equal pay laws is the single main means of enforcement for pay policy, regardless of specific cause; so there is a general recommendation to governments to review the wage statutes and devote resources to enforcement of those laws in anticipation of greater calls for their use, and to NGOs and donor agencies to support advocacy groups able to press for action with employers and bring equal pay cases to the courts".

These are clearly policy areas the research program would wish to explore.

NON-TRADITIONAL AND NEW SECTORS, AND EDUCATIONAL STREAMING

The VEEM Program will look at other trade industries, such as cement. While it is likely that women's share of employment is relatively low in this industry -- in line with the recognized pattern of concentration of female labour in labour-intensive rather than in resource- or capital-intensive industries -- some important questions should be examined here as well. It will be important to assess whether women are encouraged to participate in an industry where both wage outlooks and security may be relatively higher than in traditional female-intensive sectors.

One area of investigation that is usually feasible is a breakdown of the number of men and women graduates from colleges and technical schools in relevant fields (for example, laboratory technicians, chemical engineers, financial analysts) -- in comparison with the profile of employment by gender in occupational categories in the industry. This type of study can provide a rapid, quantitative assessment of gender imbalance, that is convincing to policy makers. This is valuable when it is necessary to create the initial awareness of gender streaming and possible inequality of opportunity.

Research that looks to the future will also take note of patterns in the past and present, to

understand the ground being laid for the reformed economy. The streaming of young men and women into different skills in secondary and tertiary schooling has been identified as an important reason for the future of some countries to give women access to science and technology jobs and certain of the professions -- and the routes to management and leadership positions. Viet Nam compares well with many developing countries in its basic literacy and primary school attainment, where the gender gap was decreased rapidly. But transition to secondary and tertiary levels declines rapidly, the gender gap here is serious, and some evidence suggests it is growing. On the positive side, Viet Nam has a solid presence of women in a very wide range of technical and professional disciplines. Of some concern, however, are official regulations restricting women's participation in a very wide number of occupations considered "unsuitable," since it appears that these perceptions have not been examined recently by gender labour specialists, and likely do not reflect modern reform thinking.

Global integration and new communications technology are opening new employment possibilities in technology-based services, including financial transactions, data entry, and information services as a whole. Because of the relatively good level of basic education of Vietnamese women, they are likely in demand in the expansion of this sector into Viet Nam. But the same comments concerning equity and self-help structures, made above, are relevant here.

Educational planning, actual attendance, and streaming of the sexes into occupations that will broaden their opportunities merit research in trade analysis.

STATISTICS

While methods to measure gender effects are developing rapidly⁵, the greatest stumbling block to using these new tools is the lack of gender-disaggregated data. In the past, because the importance of gender was not understood, few data on economic phenomena--such as changes in asset ownership, access to credit, or shifts between market and non-market labour time--were collected with breakdowns by gender. Even labour market and workforce data generally supply only minimal disaggregation. The lack of data makes impact hard to measure, and it means that policymakers who argue for the incorporation of gender in economic programs, must rely on spotty records and make creative use of proxy data. Results are often subject to skepticism from policymakers and other economists.

With VEEM's focus on developing research networks and using best-practice research methodology, projects have the opportunity to incorporate in their plans a world-class approach to statistics pertaining to gender. VEEM will make an important contribution to progress on

⁵ These include a group of approaches to building trade models that incorporate gender, quantitative approaches to complex concepts such as "empowerment," and the transformation of demographic tools to use in econometric analysis, for example, in measurements of welfare. A series of such attempts was first introduced in *World Development*, Nov. 1995. Further developments of these approaches have appeared in subsequent journals and others are in informal circulation. A second volume of modeling and other theoretical methods is under preparation.

gender and policy issues if it can stimulate consistent attention to gender disaggregation in data gathering by the responsible institutions with which its researchers cooperate.⁶ The project could seek joint or parallel specific funding to enable a relevant agency such as UNIFEM or UNCTAD to attach a gender data specialist to one or more research teams at the design stage⁷.

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⁶In the innovative gender and trade study by Joekes cited earlier, although Viet Nam was one of five developing countries examined, few data were available on the issues examined, and therefore conclusions drawn were necessarily limited. This meant that less reporting was produced for Viet Nam.

⁷See Hedman for suggestions on implications of gender-disaggregated data collection.

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